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CENTRAL INTELLIGENCE AGENCY LO LE REPORT NO.

INFORMATION REPORT

CD NO

COUNTRY Rast Germany

DATE DISTR.

19 August 1953

SUBJECT

Discontinuation of the Rusgenhafen Construction

Project

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SOURCE.

State Secretariat, Shipping, halted all shipments on inland waterways for Fauunion Nord in Sagard on Ruegen Island. Farges which were still being loaded or were under way at 11 a.m. were still dispatched ..

- 2. On 11 June 1953, the State Secretarist, Shipping, received order from the Ministry of the Interior to destroy all documents on the Ruegenhafen project in its possession by 16 June.
- 3. On 12 June 1953, the Entrurfsbuero fuer Industriebehnbau was notified by the Ministry of Construction that, following a decree by the Ministers Council in East Germany, all work on the Ruegenhafen project was to be discontinued immediately and that all partinent documents, should be submitted to the ministry at once.
- 4. On 16 June 1953, an engineer of Bauunion Magdeburg stated that, effective immediately, the project on Ruegen Island was discontinued. He said that Bauunion Magdeburg received order to withdraw both personnel and material from Glowe without delay. He did not know whether and where the personnel end material would be reemployed.

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It is believed that the discontinuation of the Ruegenhafen naval base project is predicated upon political reasons and, specifically, may result from the fact that, after the death of Stalin, the hitherto independent position of the Soviet Navy was changed inasmuch as the Naval Ministry was again subordinated to the Defense Ministry and thus practically to the Army; the Ruegenhafen project is at variance with, and compromises, the new peace policy of the USSR; and the project could not be continued because of the critical economic situation in East Germany.

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Comment: Paragraphs 1 and 2 were previous

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